

10 October 2025

India | Equity Research | Quarterly Results Preview

Healthcare

Q2FY26 preview: Better occupancy and network expansion to boost volumes

Hospitals under our coverage are likely to report revenue/EBITDA/PAT growth of 15.1%/14.3%/10.8% YoY in Q2FY26, driven by better occupancy (rise of 20-240bps across coverage) coupled with an improved surgical mix. Apollo is likely to report a strong improvement in margins, to ~15.2%, driven by traction across segments. New hospital addition would boost KIMS' revenue growth by ~27%, though may dent margins by 887bps YoY to ~20%. Other hospitals under coverage shall post a modest expansion in margins, between 25-63bps. Diagnostic companies under our coverage are likely to report growth of 16.4%/15.4%/22.3% YoY in revenue/EBITDA/PAT, mainly driven by volume growth of 9-17% supported by M&A and lab expansion in smaller towns. **Our top picks in healthcare services are Apollo Hospitals, Jupiter LifeLine and Metropolis.**

Hospitals: Q2FY26 preview synopsis

Revenue for our coverage universe is likely to grow 15.1% YoY (7.9% QoQ) to INR 106.2bn in Q2FY26E, led by better in-patient volumes. EBITDA margin may contract 12bps YoY (+26bps QoQ) to 17.8%. PAT is likely to grow 10.8% YoY (6.6% QoQ) to INR 8.7bn.

Apollo's operating profit growth to outpace peers

Apollo is likely to register EBITDA margin expansion of 61bps to 15.2%, driven by better growth in hospitals and margin improvement of Healthco. **Fortis** is likely to post 63bps expansion in EBITDA margin to 22.5% led by an improvement in hospitals' margins. EBITDA margin for **KIMS** may contract 887bps YoY (-210bps QoQ) to 20% (EBITDA decline of 12.1% YoY) due to the impact of new bed additions in Thane and Nashik. **HCG** should see a 42bps YoY jump in EBITDA margin to 18.9% led by better traction across its network. **Jupiter Life Line** may post a 25bps expansion in EBITDA margin driven by steady growth at its Thane hospital and better occupancy in Pune and Indore hospitals.

Diagnostics: Q2FY26 preview synopsis

Revenue for our coverage universe is likely to rise 16.4% YoY (11% QoQ) in Q2FY26E driven by better volumes. The companies in our coverage continue to strengthen their presence through organic and inorganic expansion. Q2FY26E EBITDA/PAT for our coverage universe may rise 15.4%/22.3% YoY. EBITDA margin may contract marginally by 26bps YoY (137bps QoQ) to 30.1% due to new lab addition and acquisitions.

Steady growth expected across diagnostics companies

1) Dr. Lal should see revenue rising 10.5% YoY to INR 7.3bn in Q2FY26E. Growth shall be led by volumes on account of better traction in Swasthfit and its recent expansions in tier-3/4 cities. Operating leverage may boost EBITDA margin by 63bps YoY (259bps QoQ) to 31.3%; PAT is likely to grow 23.9% YoY (20.9% QoQ). **2) Metropolis** reported ~23% YoY rise in revenue driven by a spurt in volumes and acquisition (organic growth at 12%). EBITDA margin may dip ~159bps YoY to 24.1% on account of consolidation of its core diagnostics business; PAT shall grow at 18.6% YoY. **3) Vijaya's** revenue growth will likely grow 19.5% YoY, though margin may contract 223bps (+20bps QoQ) to 39.3% due to commissioning of new hubs. **4) Thyrocare's** revenue may rise 21.3% YoY driven by sustained traction in partnership and franchisee business. Its EBITDA/PAT could grow at a faster pace of 29.2%/42.4% YoY.

Abdulkader Puranwala

abdulkader.puranwala@icicisecurities.com
+91 22 6807 7339

Nisha Shetty

nisha.shetty@icicisecurities.com

Darshil Jain

darshil.jain@icicisecurities.com

Exhibit 1: Key financials – hospitals

Company	Revenue (INR mn)					EBITDA (INR mn)					PAT (INR mn)				
	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)
Apollo Hospitals	62,701	58,421	55,893	7.3	12.2	9,531	8,519	8,155	11.9	16.9	4,367	4,328	3,788	0.9	15.3
KIMS	9,864	8,716	7,773	13.2	26.9	1,973	1,926	2,244	2.4	(12.1)	788	786	1,137	0.2	(30.7)
HCG	6,498	6,132	5,535	6.0	17.4	1,228	1,104	1,023	11.3	20.1	214	73	180	193.0	18.7
Fortis	23,386	21,667	19,884	7.9	17.6	5,262	4,907	4,348	7.2	21.0	2,782	2,507	2,207	11.0	26.1
Jupiter Life Line	3,778	3,476	3,226	8.7	17.1	888	781	750	13.6	18.4	521	438	515	18.8	1.1
Coverage Universe	1,06,227	98,412	92,311	7.9	15.1	18,881	17,236	16,520	9.5	14.3	8,672	8,132	7,827	6.6	10.8

Source: Company data, I-Sec research

Exhibit 2: Key financials – diagnostics

Company	Revenue (INR mn)					EBITDA (INR mn)					PAT (INR mn)				
	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)	Q2FY26E	Q1FY26	Q2FY25	QoQ (%)	YoY (%)
Dr Lal	7,297	6,698	6,602	8.9	10.5	2,284	1,923	2,025	18.8	12.8	1,600	1,324	1,292	20.9	23.9
Metropolis	4,310	3,861	3,498	11.6	23.2	1,039	898	899	15.7	15.6	552	451	465	22.5	18.6
Vijaya	2,187	1,881	1,829	16.3	19.5	859	735	760	16.9	13.1	456	383	420	18.9	8.6
Thyrocare	2,152	1,930	1,774	11.5	21.3	624	578	483	8.0	29.2	380	389	267	(2.4)	42.4
Coverage Universe	15,945	14,369	13,703	11.0	16.4	4,806	4,134	4,166	16.3	15.4	2,988	2,547	2,444	17.3	22.3

Source: Company data, I-Sec research

Exhibit 3: Valuation summary

Company	Target Price (INR)	Rating	EPS (INR)			RoCE (%)			P/E (x)			EV/ EBITDA (x)		
			FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Hospitals														
Apollo	8,200	ADD	99.6	120.5	157.6	11.5	11.8	14.1	77.0	63.6	48.6	38.8	30.7	24.8
KIMS	660	REDUCE	9.7	10.6	15.1	10.5	9.6	12.0	73.3	66.9	46.9	37.8	32.4	24.5
HCG	590	REDUCE	3.3	5.3	10.1	7.1	7.1	9.2	199.3	126.6	66.0	27.6	22.3	18.6
Fortis	915	REDUCE	11.2	13.4	18.7	8.9	9.6	11.7	94.2	78.7	56.6	51.4	40.7	31.8
Jupiter	1,610	ADD	29.5	32.8	37.3	11.5	12.6	13.4	52.0	46.8	41.1	33.6	27.4	23.4
Diagnostics														
Dr Lal	3,000	HOLD	58.3	63.0	73.2	22.4	21.2	21.0	52.6	48.6	41.8	35.2	30.9	26.8
Metropolis	2,400	BUY	31.1	39.5	50.3	11.5	12.8	15.2	64.7	50.9	40.0	32.4	26.0	21.7
Vijaya	1,000	REDUCE	14.0	16.6	20.7	15.9	15.9	16.9	70.9	59.7	48.0	37.6	32.5	26.6
Thyrocare	1,460	BUY	17.3	26.9	34.2	17.5	26.6	32.8	71.3	45.7	36.0	33.4	25.7	20.8

Source: Company data, I-Sec research

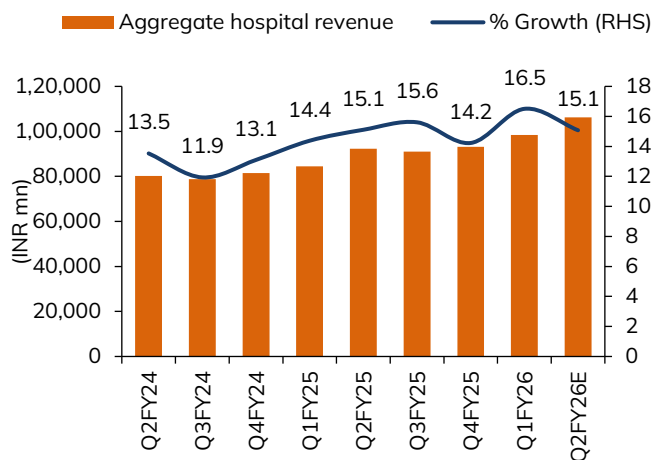
Exhibit 4: Company-wise key developments in Q2FY26

Company	Key highlights
Apollo Hospitals	<ul style="list-style-type: none"> Promoter group of Apollo Hospitals Enterprise Limited represented by Ms. Suneeta Reddy sold 1.3% of the stake through a block deal. The promoters' shareholding in the company shall stand reduced to 28%, from 29.3%. The sale proceeds would be utilised to pare outstanding debt of the promoter group. Apollo Hospitals Enterprise Ltd (AHEL) proposed to acquire 31% stake held by IFC in Apollo Health & Lifestyle Limited (AHLL) for ~INR 12.54bn, subject to approval from the CCI. Following the transaction, AHLL would become a 100% subsidiary of AHEL with 99.42% held by AHEL and balance in the ESOP pool. Board approved setting up a comprehensive oncology facility including a Single Gantry Proton Proteus One System at Gurugram at an investment of INR 5.73bn. Competition Commission of India approved the proposed composite scheme of arrangement amongst the company, Apollo Healthco Limited, Keimed Private Limited and Apollo Healthtech Limited and their respective shareholders and creditors.
KIMS	<ul style="list-style-type: none"> The company commenced operations at its newly established hospital located in Mahadevapura, Bengaluru on 15 Sep'25
HCG	<ul style="list-style-type: none"> On 10 Jul'25, Hector Asia Holdings announced an open offer to acquire up to 26% stake in HCG at ~INR 504/share, amounting to INR 18.7bn. Ms. Ruby Ritolia, CFO of the company tendered her resignation, effective 2 Sep'25, to pursue alternate career opportunities. On 10 Sep'25, Aceso (CVC) sold ~7.97mn shares, that is, ~5.65% stake (on a fully diluted basis) at INR 695/share.
Dr Lal	<ul style="list-style-type: none"> As part of AI integration in cancer diagnosis, Dr Lal has become the first laboratory in the country to adopt a deep learning-based AI module to detect lymph node metastasis, including micrometastasis, in cancer cases. Board approved acquisition of a property in New Delhi for a consolidated consideration amount of up to INR 745.1mn (exclusive of stamp duty, registration fees, brokerage/ commission and other incidental expenses on actual basis).
Metropolis	<ul style="list-style-type: none"> Dr. Sushil Shah stepped down from the position of Chairman Emeritus, effective 18 Jul'25, considering his age and with a view to facilitating a smooth transition of responsibilities within the organisation. He shall continue to serve on the Board as a Non – Executive Non-Independent Director. Company acquired Dr. RS Patil's Ambika Pathology Laboratory ('Ambika Pathology'), as a going concern, effective 18 Sep'25. The total consideration for the acquisition amounts to INR 170mn, including a deferred consideration of INR 1.7 crores, which forms part of the total consideration and will be paid in accordance with the terms agreed under the BTA. Metropolis Quality Solutions Private Limited' was incorporated as a wholly owned subsidiary of Metropolis Healthcare Limited, effective 15 Sep'25 to carry out the business of developing and dealing in technology driven products and services in the healthcare sector.
Vijaya	<ul style="list-style-type: none"> NCLT Hyderabad reserved for orders on amalgamation of Medinova into Vijaya, on a going concern basis, effective the appointed date i.e., 1 Apr'24.
Thyrocare	<ul style="list-style-type: none"> Mr. Alok Kumar Jagnani, CFO of Thyrocare has been elevated to the role of Group CFO of API Holdings Limited, and also proposed to be appointed as a Non-Executive Director on the Board of Thyrocare. Mr. Vikram Gupta was appointed as the CFO of Thyrocare, effective 24 Jul'25. Board of Directors of API Holdings has approved the appointment of Mr. Rahul Guha, MD and CEO of Thyrocare, with the additional responsibility of MD and CEO of API Holdings Limited, effective 27 Aug'25.

Source: Company data, I-Sec research

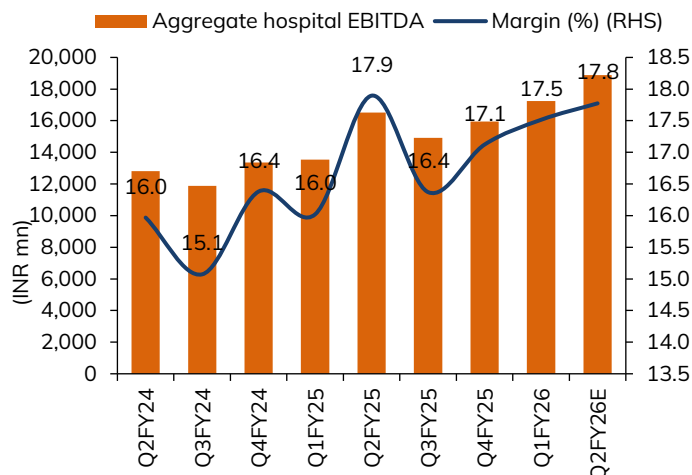
Quarterly trends in charts

Exhibit 5: Seasonality and better surgical mix likely to drive growth



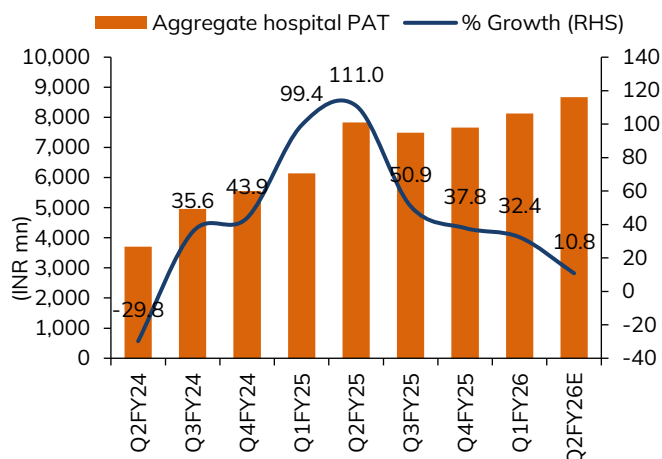
Source: Company data, I-Sec research

Exhibit 6: Case mix and operating leverage to drive surge in EBITDA margin of coverage universe



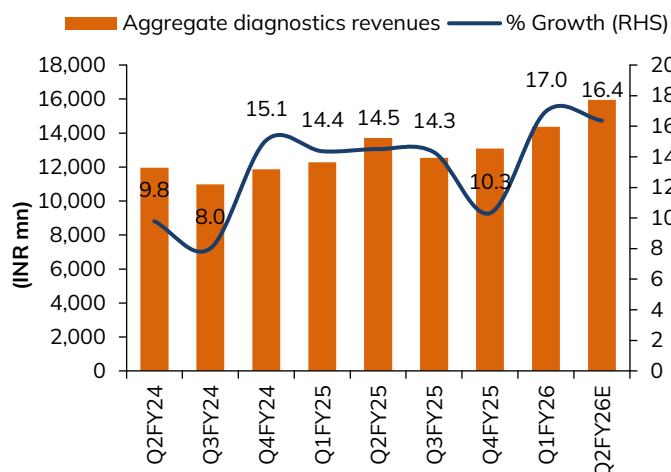
Source: Company data, I-Sec research

Exhibit 7: Net profit for our hospital coverage universe to surge 10.8% YoY



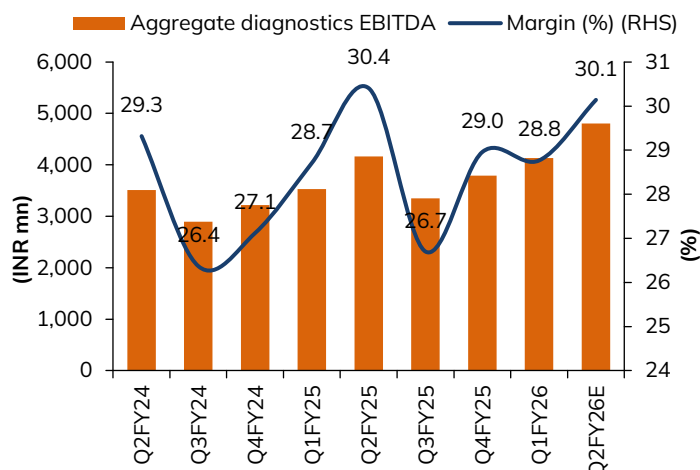
Source: Company data, I-Sec research

Exhibit 8: Revenue of diagnostic companies to grow in mid-teens



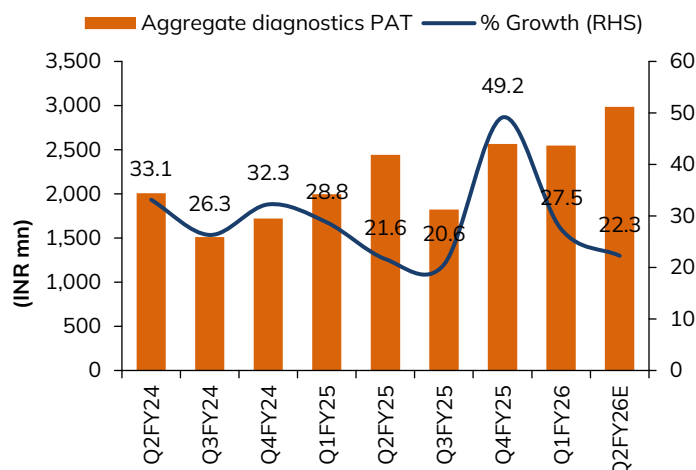
Source: Company data, I-Sec research

Exhibit 9: Operating leverage and stability in pricing to boost margins for diagnostic companies



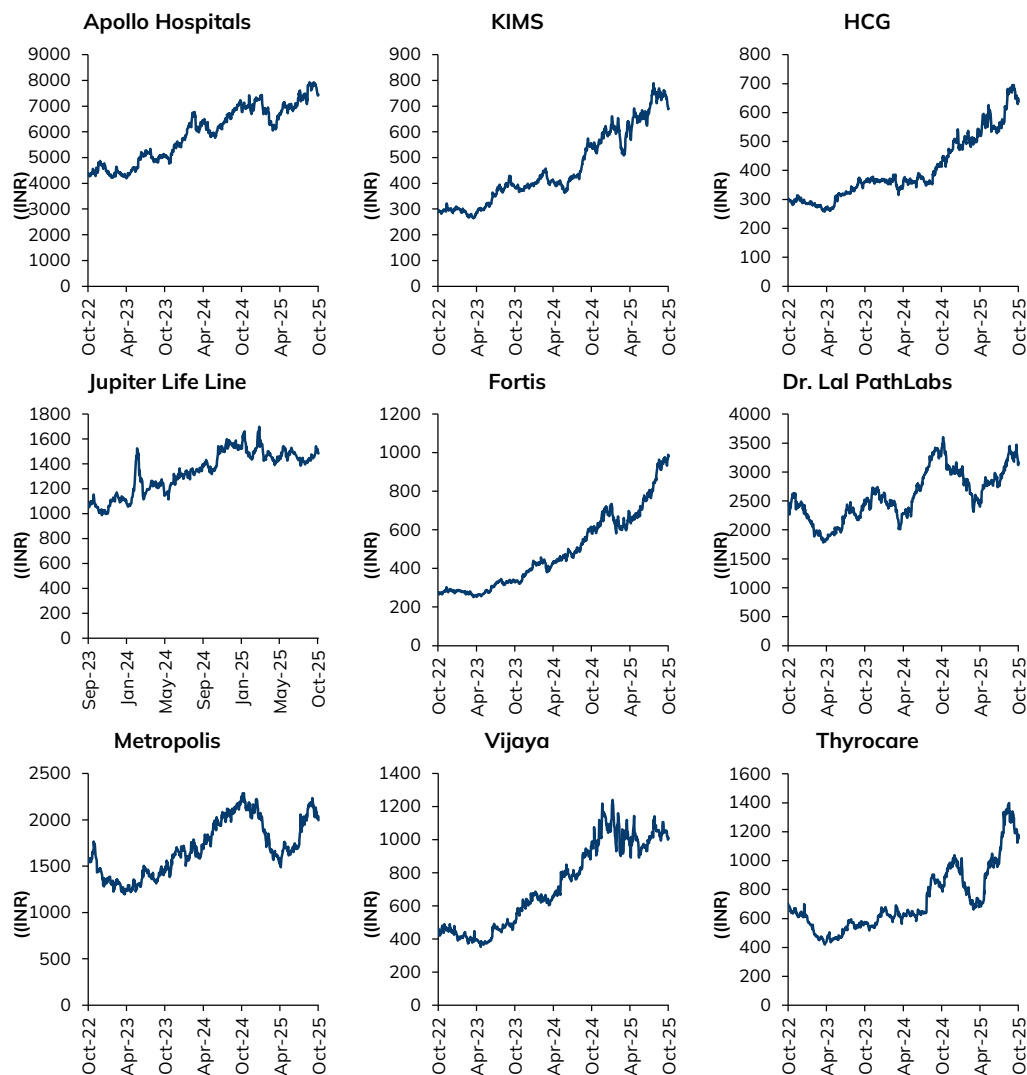
Source: Company data, I-Sec research

Exhibit 10: Net profit of diagnostic universe to grow 22.3% YoY



Source: Company data, I-Sec research

Price charts



Source: Bloomberg

"In case of industry/sector reports or a report containing multiple stocks, the rating/recommendation for a particular stock may be based on the last released stock specific report for that company."

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

*New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return*

ANALYST CERTIFICATION

I/We, Abdulkader Puranwala, MBA; Nisha Shetty, MBA; Darshil Jain, MBA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock broking and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is SEBI registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report.

Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions. ([Link](#))

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Jeetu Jawrani](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
